

UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF DEREGULATION
ON THE PERFORMANCE OF
TRUCK CARRIERS IN MALAYSIA**

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Thesis submitted in fulfillment
of the requirements for the degree of
Master of Science

**Faculty of Malaysia Institute of Transport
(MITRANS)**

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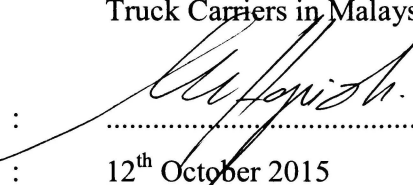
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I declare that the work in this dissertation was carried out in accordance with the regulation of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any academic institution or non-academic institution for any other degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

According to Malaysia's hauliers, freight forwarders, there were trucking regulations in Malaysia that were believed to be stifling carriers' operations. Examples were regulations that demanded a low minimum driver's age, the enforcement of road bans on trucks on certain highways, the prohibition of backhauling, and the use of high-tech vehicles. A trucking association claimed that certain regulations were lagging behind the technological developments that took place in the industry. For example, the authorities prohibited the use of new types of trucks such as multi-trailers, multi-axle trailers, and double trailers because the road infrastructure in the country could not accommodate them although the condition of highways had been improved to bear heavy trucks. The old truck weight limit of 44 tonnes was still in force for the same reason. Mentzer and Gomes (1993) stated that deregulations in the U.S.A. only concerned the loosening of government restrictions on economic factors, which included the setting of rates, entry to a trucking business, vehicle routing, commodities handled, and areas served. The government's power to enforce safety regulations on the condition of equipments, transportation of hazardous materials, and exhaust emissions, among others, had not been diminished (Rose, 1988). A questionnaire survey of 257 carriers was conducted to collect data on freight type, trucking services, deregulation, essential regulations, and regulatory enforcement of trucking operations in Malaysia. A factor analysis on regulation items that carriers thought were constraining their operations had extracted five distinct deregulation factors (those regulations that needed to be unregulated), namely, route regulation, materials handling regulation, regulatory control (operations), regulatory control (restrictions), and vehicle specification. There was a relationship between deregulation and essential regulations toward carriers' overall performance. Also trucking enforcement moderated the deregulation-performance and essential regulations-performance relationships.

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